Department of Veterans Affairs Veterans Health Administration Washington, DC 20420 VHA HANDBOOK 1601A.03 Transmittal Sheet September 21, 2007

ENROLLMENT DETERMINATIONS

- **1. REASON FOR ISSUE.** This Veterans Health Administration (VHA) Handbook provides information on the policies for administering Public Law 104-262, the Veterans Health Care Eligibility Reform Act of 1996, which required the Department of Veterans Affairs (VA) to establish an enrollment system, and Title 38, United States Code of Federal Regulation, Section 17.36, which established categories of veterans are eligible to be enrolled.
- **2. SUMMARY OF CHANGES.** This VHA Handbook provides information on the Public Law 104-262 and Title 38 Code of Federal Regulations, Section 17.36.
- **3. RELATED ISSUES.** VHA Handbooks 1601A.01 through 1601E.01 (to be published).
- **4. RESPONSIBLE OFFICE.** The Chief Business Office (16) is the responsible for the contents of this VHA Handbook. Questions may be addressed to (202) 254-0406.
- **5. RECISSIONS.** None.
- **6. RECERTIFICATION.** This VHA Handbook is scheduled for recertification on or before the last working day of September 2012.

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ENROLLMENT DETERMINATIONS

1. PURPOSE

This Veterans Health Administration (VHA) handbook defines the determinations for the enrollment of veterans for Department of Veterans Affairs (VA) health care benefits. *NOTE:* Procedures for processing enrollment determinations can be found in VHA procedure Guide 1601A.03, which is only for VHA internal purposes.

2. BACKGROUND AND AUTHORITY

Public Law (Pub. L.) 104-262, The Veterans Health Care Eligibility Reform Act of 1996 required that VA establish an enrollment system to help manage its health care delivery system. <u>Title 38 Code of Federal Regulation (CFR)</u>, <u>Section 17.36</u> provides that the Secretary of Veterans Affairs must establish which categories of veterans are eligible to be enrolled.

3. DEFINITIONS

- a. <u>Aid and Attendance (A&A).</u> A&A is the increased compensation and pension paid to veterans, their spouses, surviving spouses, and parents. A&A may be provided if the veteran needs the regular aid and attendance of another person.
- b. <u>Appeal.</u> An appeal consists of a timely filed Notice of Disagreement in writing <u>and</u>, after a Statement of the Case has been furnished, a timely filed Substantive Appeal (see 38 CFR 20.200).
- c. <u>Applicant.</u> An applicant is a person who has submitted a written request for VA health care benefits and/or for enrollment in the VA Health Care System.
- d. <u>Cancel Enrollment.</u> To cancel enrollment, a veteran must submit a written request stating that the veteran wishes to cancel enrollment in the VA Health Care System.
- e. <u>Catastrophically Disabled</u>. Catastrophically disabled is a permanent, severely disabling injury, disorder, or disease that compromises the ability to carry out the activities of daily living to such a degree that the individual requires personal or mechanical assistance to leave home or bed, or requires constant supervision to avoid physical harm to self or others. *NOTE:* The complete definition can be found at 38 CFR, section <u>17.36.(e)</u>.
 - f. Combat Veteran. A combat veteran is a veteran whose service includes:
- (1) Receipt of an expeditionary medal or other Department of Defense (DOD) authorized combat-related medal;
 - (2) Service in a location designated by an Executive Order as a combat zone;

- (3) Service in a qualified hazardous duty area as defined by Federal Statue that deems such service by a member of the Armed Forces to be the equivalent of service in a combat zone for pay or a tax-related purpose;
- (4) Receipt of DOD Hostile Fire or Imminent Danger pay for serving in the area subject to hostilities; or
- (5) Other factor(s) as may be defined in policy and regulation by the Secretary of Veterans Affairs.
- g. <u>Compensable Disability.</u> Compensable disability is a VA-rated service-connected (SC) disability for which monetary compensation is authorized for payment.
- h. <u>Co-payment.</u> Co-payment is a specific monetary charge for either medical services or medications provided by VA to veterans.
- i. <u>Disenrollment.</u> Disenrollment is VA's discontinuation of a veteran's enrollment status in the VA Health Care System based on a decision of the Secretary of Veterans Affairs.
- j. <u>Enrollee.</u> An enrollee is a veteran who has applied for VA medical services, has been accepted for such care, and who has received confirmation of enrollment from an authorized VHA official, generally the Director of the Health Eligibility Center (HEC) in the VA Health Care System. *NOTE:* For more information on enrollment in the VA health care system, see Title 38, United States Code (U.S.C.), sections 1705 and 17.36.
- k. **Enrollment.** Enrollment is the process used by VA to accept an eligible veteran into the VA Health Care System including the assignment of a priority group. The process may require VA to assess a veteran's attributable income (the term "attributable income" means the income of a veteran for the previous year determined in the same manner in which a determination is made of the total amount of income, which the rate of pension for such veteran under section 1521 of this Title would be reduced if the veteran were eligible for pension under that section) and net worth. This financial assessment determines a veteran's co-payment responsibilities and helps to determine the assignment to a priority group.
- 1. <u>Enrollment Group Threshold (EGT).</u> EGT is the limit between enrollment priority group or subgroups, as determined by the Secretary of Veterans Affairs, above which enrollment groups or subgroups may be accepted for enrollment in the VA Health Care System.
- m. <u>Geographic Means Test (GMT) Income Threshold.</u> GMT is the income threshold used to determine if a veteran may be enrolled in priority group 7. It uses low-income limits for each zip code.
- n. <u>Geographic Means Test (GMT) Co-payment Required.</u> GMT co-payment required is a co-payment status assigned to a veteran whose financial status is above the VHA Means Test (MT) income threshold but below the GMT income threshold.

- o. <u>Medical Benefits Package.</u> The medical benefits package is the health care that is available to veterans enrolled in the VA Health Care System. *NOTE:* For information on what is included and not included in the package, see 38 CFR §17.38.
- p. <u>Health Eligibility Center (HEC)</u>. The HEC is VHA's authoritative source for the initial verification of a veteran's eligibility for health care, including income verification and priority group assignment.
- q. Means Test (MT). MT is the financial assessment process used by VA to assess a veteran's attributable income and assets. The MT determines veterans' co-payment responsibilities and assists in determining enrollment priority group assignments. VA uses the appropriate MT threshold for the current calendar year to determine whether the veteran is considered unable to defray the expenses of necessary care.
- r. <u>Medical Need.</u> Medical need is a clinical determination made by appropriate health care professionals that medical care is needed to promote, preserve, or restore the health of an individual and is in accordance with generally-accepted standards of medical practice. *NOTE:* For more information on medical need, see 38 CFR §17.38(b).
- s. <u>Means Test (MT) Co-payment Exempt.</u> MT co-payment exempt are categories of veterans who are not required to make a co-payment for hospital or outpatient care due to the fact that the veteran is:
 - (1) A veteran with a compensable SC disability.
 - (2) A veteran who is a former prisoner of war.
 - (3) A veteran awarded a Purple Heart.
- (4) A veteran who was discharged or released from active military service for a disability incurred or aggravated in the line of duty.
 - (5) A veteran who receives disability compensation under 38 U.S.C. 1151.
- (6) A veteran whose entitlement to disability compensation is suspended pursuant to <u>38</u> <u>U.S.C. 1151</u>, but only to the extent that the veteran's continuing eligibility for care is provided for in the judgment or settlement described in <u>38 U.S.C. 1151</u>.
- (7) A veteran whose entitlement to disability compensation is suspended because of the receipt of military retirement pay.
 - (8) A veteran of the Mexican border period or of World War I.
- (9) A military retiree provided care under an interagency agreement as defined in section 113 of Public Law 106-117, Statue 1545.

- (10) A veteran who VA determines to be unable to defray the expenses of necessary care under 38 U.S.C. 1722(a).
- t. <u>Means Test (MT) Co-payment Required.</u> MT co-payment required is a co-payment status assigned to a veteran who is required to make medical care co-payments for hospital and outpatient care based on established MT thresholds.
- u. <u>Minimum Active Duty Period.</u> The minimum active duty period is the minimum period of active duty of service that many veterans who served after September 7, 1980, must have served in order to receive most VA benefits. The complete definition is found at <u>38 CFR § 3.12a.</u>
- v. <u>National Card Management Directory (NCMD).</u> NCMD is the directory that stores information about Veteran Identification Card (VIC) requests made by VHA medical facilities (see https://vaww.etech.med.va.gov/VIC/index.asp.)
- w. <u>Non-compensable Disability.</u> A non-compensable disability is a disability that VA adjudicates as not warranting the award of monetary compensation.
- x. <u>Nonservice-Connected (NSC) Pension</u>. The NSC pension is a monetary benefit awarded to permanently and totally disabled, low-income veterans with 90 days or more of active military service, of which, at least 1 day was during wartime.
- y. Nonservice-Connected (NSC) Veteran. A NSC veteran is one who does not have a VA-adjudicated illness or injury incurred in, or aggravated by, military service.
- z. **<u>Re-Enrollment.</u>** Re-enrollment is a continuation of enrollment for previously-enrolled veterans and an enrollment of previously disenrolled veterans.
- aa. <u>Service-Connected (SC) Veteran.</u> A SC veteran is one who has an illness or injury incurred in, or aggravated by, military service as adjudicated by the Veterans Benefits Administration (VBA).
 - bb. **Veteran.** In general, a veteran is a person who:
 - (1) Served in the active military, naval, or air service; and
 - (2) Was discharged or released from service under conditions "other than dishonorable."
- **NOTE:** For more information on the definition of veteran and for other service that may qualify an individual for veteran status, see 38 Code of Federal Regulations (CFR), <u>Sections 3,1</u>, <u>3.6</u>, and <u>3.7</u>.
- cc. <u>VIC.</u> A VIC is an identification card issued to a verified eligible veteran for the specific purpose of identifying the veteran when seeking VA health care benefits and assisting VHA staff with administrative processing. The VIC is for VA official business only and is only issued to a veteran after the veteran's eligibility has been verified by the HEC.

4. SCOPE

This Handbook provides details on:

- a. Priority groups 1-8;
- b. Notifications of enrollment decisions and appeals;
- c. Issuance of VICs;
- d. Annual MT Renewals; and
- e. Disenrollments.

5. PRIORITY GROUPS

- a. **Priority Group 1.** Priority Group 1 consists of veterans with a singular or combined rating of 50 percent or greater based on one or more service-connected disabilities or unemployability.
- b. **Priority Group 2.** Priority Group 2 consists of veterans with a singular or combined rating of 30 percent or 40 percent based on one or more service-connected disabilities.
 - c. **Priority Group 3.** Priority Group 3 consists of:
 - (1) Veterans who are former prisoners of war;
- (2) Veterans awarded the Purple Heart; veterans with a singular or combined rating of 10 percent or 20 percent based on one or more SC disabilities;
- (3) Veterans who are charged or release from active military service for a disability incurred or aggravated in the line of duty;
 - (4) Veterans who receive disability compensation under 38 U.S.C. 1151;
- (5) Veterans whose entitlement to disability compensation is suspended pursuant to <u>38</u> <u>U.S.C. 1151</u>, but only to the extent that such veterans' continuing eligibility for that care is provided for in the judgment or settlement described in <u>38 U.S.C. 1151</u>;
- (6) Veterans whose entitlement to disability compensation is suspended because of the receipt of military retired pay; and
- (7) Veterans receiving compensation at the 10 percent rating level based on multiple non-compensable SC disabilities that clearly interfere with normal employability.

- d. **Priority Group 4.** Priority Group 4 consists of veterans who receive increased pension based on their need for regular A&A, or by reason of being permanently housebound and other veterans who are determined by the Chief of Staff (or equivalent clinical official) at the VA facility where they were examined to be catastrophically disabled.
- e. <u>Priority Group 5.</u> Priority Group 5 consists of veterans who are determined to be unable to defray the expenses of necessary care under 38 U.S.C. 1722.
 - f. Priority Group 6. Priority Group 6 consists of:
 - (1) Veterans of the Mexican border period or of World War I;
- (2) Veterans solely seeking care for a disorder associated with exposure to a toxic substance or radiation, for a disorder associated with service in the Southwest Asia theater of operations during the Gulf War, or for any illness associated with service in combat in a war after the Gulf War during a period of hostility after November 11, 1998, as provided and limited in 38 U.S.C. 1710(e); and
- (3) Veterans with 0 percent SC disabilities who are nevertheless compensated, including veterans receiving compensation for inactive tuberculosis.
- g. <u>Priority Group 7.</u> Priority Group 7 consists of veterans who can defray the expenses of necessary care under 38 U.S.C. 1722, but whose income for the previous year constitutes "low income" under the geographical income limits established by the Department of Housing and Urban Development (HUD) for the fiscal year that ended on September 30 of the previous calendar year, and who agree to pay the applicable co-payment. *NOTE: Priority 7 is further prioritized into sub-priorities which are found in* 38 CFR § 17.36(b)(7).

h. Priority Group 8

- (1) Priority Group 8 consists of veterans who can defray the expenses of necessary care under 38 U.S.C. 1722, but whose income for the previous year does not constitute "low income" under the geographical income limits established by HUD for the fiscal year that ended on September 30 of the previous calendar year, and who agree to pay the applicable co-payment (see 38 CFR § 17.36(b)(8) for further details).
 - (2) Priority 8 is further prioritized into the following sub-priorities:
- (a) Sub-priority A consists of non-compensable SC rated zero percent veterans who were enrolled as of January 16, 2003 and have remained enrolled since that date.
- (b) Sub-priority C consists of NSC veterans who were enrolled as of January 16, 2003, and have remained enrolled since that date.
- (c) Sub-priority E consists of non-compensable SC rated 0 percent veterans who applied for enrollment after January 16, 2003.

(d) Sub-priority G consists of NSC veterans who applied for enrollment after January 16, 2003.

6. NOTIFICATIONS OF ENROLLMENT DETERMINATIONS AND APPEALS

The HEC is responsible for notifying veterans, by letter, of their enrollment status; the letter must contain the reasons for the determination, include an effective date for any changes, and a statement regarding appeal rights. *NOTE:* For information on processing appeals, see the *Guide to Processing Appeals*.

7. ISSUANCE OF VETERAN IDENTIFICATION CARDS (VICs)

A VIC must be issued to each eligible veteran:

- a. Whose eligibility and enrollment status has been verified by HEC, and
- b. Who requests a VIC.

8. ANNUAL MEANS TEST RENEWALS

Veterans who are enrolled in Priority Group 5, MT co-payment exempt status, are mailed a VA Form 10-10EZR, Application for Health Benefits, annually and are requested to complete the financial disclosure section.

- a. The completed VA Form 10-10EZ must be signed and returned to the VA health care facility, which requested the information, within 60 days of the date the VA Form 10-10EZ was mailed to the veteran.
- b. Failure to return the form may result in a change in the veteran's enrollment priority status to priority group 6 or 8. *NOTE*: Veterans may cancel their enrollment at any time as provided for in VHA Handbook 1601A.03, if they no longer wish to participate and receive health care benefits.

9. AUTOMATIC ENROLLMENTS

Veterans notified by VA letter that they were enrolled in the VA healthcare system under the trial VA enrollment program prior to October 1, 1998, were automatically enrolled in the VA healthcare system 38 CFR § 17.36(c)(4).

10. DISENROLLMENT

- a. <u>Secretarial Decision to Limit Enrollment.</u> Pursuant to <u>38 CFR §17.36(c)</u>, the Secretary of Veterans Affairs may announce in the <u>Federal Register</u> the priority groups, which are eligible to be enrolled. This may require VA to disenroll veterans or limit the enrollment of new veterans.
- b. <u>Disenrollment Due to Fraud or Error.</u> When a Veterans Integrated Service Network (VISN) Director, facility Director, the Deputy Under Secretary for Health for Operations and Management, the Chief Health Administration Service or equivalent official at a VA medical facility, or the Director of HEC determines that a veteran is no longer in a priority category eligible to be enrolled, as set forth in 38 CFR § <u>17.36 (c) (2)</u>; or that an individual applied for enrollment under false pretense and the individual was not eligible to be enrolled in the VA healthcare system, the individual is immediately disenrolled and provided a copy of Form 4701 VHA, Your Rights to Appeal Our Decision.
- c. <u>Disenrollment Upon Veteran Request.</u> Veterans who wish to disenroll from VA health care benefits may do so by submitting a written signed notification to the VA medical center where they are receiving treatment, or to the HEC.
- d. <u>Continuing Care for Compelling Medical Reasons.</u> When there is a compelling medical need to complete a course of VA treatment started when the veteran was enrolled in the VA health care system, a veteran will receive that treatment.
- e. <u>Notification of Disenrollment Determinations</u>. Notice of a determination by the HEC regarding a veteran's enrollment status must be provided to the affected veteran by letter and include the reasons for the determination. The letter must include an effective date for any changes and a statement regarding the veteran's appellate rights.